

LIQUID FUELS

National Indicative Target (NIT)

The National Indicative Target is one of the domestic instruments designed to ensure the reduction of greenhouse gas emissions from road and rail transport. The transport sector is currently responsible for approximately 25% of the world's CO2 emissions, which resulted in the inclusion of this sector in the European Union reduction obligation.

The National Indicative Target, governed by the Act on Biocomponents and Liquid Biofuels, is an obligation to ensure a minimum share of biofuels and other renewable fuels of non-biological origin in the total volume of liquid fuels consumed in road and rail transport. In 2023, the minimum share is 8.9%.

The above obligation applies to any professional entity operating in the liquid fuels market, which disposes of fuels or consumes them for its own purposes, excluding normal fuel consumption during transport.

In order for biofuels to be counted for the NIT, they must meet the so-called sustainability criteria. These relate to, among other things, the land on which agricultural substrates are produced or the carbon content of the soil. Entities implementing NIT can benefit from three mechanisms to facilitate the fulfilment of this obligation: a substitution fee, a reduction factor and a multiplier.

The substitution fee mechanism allows for a supplementary payment of an appropriate amount of money to NFOŚiGW in the event of achieving the minimum level of NIT implementation (currently 80%).

The reduction factor allows the minimum share of biofuels to be reduced in the event that at least 70% of biofuels from agricultural substrates are used.

The multiplier, on the other hand, allows a doubling of the energy value of biofuels produced from specific raw materials, as indicated in the attachment to the Act.

The fulfilment of the NIT is supervised by the President of the ERO. Failure to achieve the specified level is subject to a penalty of up to 15% of the obliged entity's revenue.

Are you interested in this topic?

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